



Louisiana Keynotes



Enhancements to the Plan in November

BlackRock LifePath® Funds¹ were added to the Plan on November 22, 2010. More information on the new investment options can be found at www.louisianadcp.com under the Investment Options Tab. You may also request a flier from your Great-West Retirement Services® representative by calling (225) 926-8082.²



Phone Number Change

If you live outside of the Baton Rouge area, please be advised that effective March 31, 2011, we will be discontinuing the toll-free number (800) 345-4699. You may continue to call the Baton Rouge office—toll free—by dialing (800) 937-7604.²



2011 Limits Announced

For the 2011 calendar year, the contribution limit remains at \$16,500 or 100% of your includible income, whichever is less. If you are age 50 or older by the end of the calendar year, you may contribute an additional \$5,500, or a total of \$22,000, to your Plan account. If you are within three years of normal retirement age and under-contributed in previous years, you may take advantage of a different catch-up option, called the standard catch-up. If eligible, you may contribute up to double the annual contribution limit—\$33,000 in 2011. You may not use both catch-up provisions in the same year. Please contact the Baton Rouge office at (225) 926-8082 if you wish to receive more information.



Plan Evaluation

The Annual Louisiana Public Employees Deferred Compensation Plan Evaluation Report is now available on the website: www.louisianadcp.com.



Annual Participant-Member Election to the Commission

The Louisiana Deferred Compensation Commission is comprised of seven members—three of whom are directly elected by the Plan participants. Under state law, an election is held each year to select a Participant-Member whose three-year term commences July 1 of each year. Petitions to nominate a candidate for the three-year term will be accepted through March 5, 2011, by Mr. Emery Bares, Commission Chair.

Nominating petitions must contain the names of 12 current Plan participants with their original signatures and last four digits of their Social Security numbers. The nominees must submit with their petition a letter of declaration stating their intent to serve, if elected.

To be eligible for this election, a nominee must have participated in the Louisiana Deferred Compensation Plan for two or more years.

Nominations may be mailed or delivered to:

Mr. Emery Bares, Commission Chair
c/o the Louisiana Deferred Compensation Plan
2237 South Acadian Thruway, Suite 702
Baton Rouge, LA 70808

Ballots will be distributed with the first quarter statements in April 2011. Election results will be announced by the end of June 2011. For additional information, please contact Jo Ann Carrigan in the Baton Rouge office at (225) 663-5505 or (800) 937-7604.²



Questions?

Visit:

www.louisianadcp.com²

Call:

Baton Rouge Office
(225) 926-8082

or

KeyTalk®
(800) 701-8255²



Things You Need to Know

Welcome to **Things You Need to Know**, a new feature designed to help you get to know the things about saving and planning that are crucial to your success. This issue's topic is:

GET A RETIREMENT ACCOUNT CHECKUP

You have access to many educational representatives across Louisiana. Did you know that these representatives aren't paid on commission? This free service to you is a monumental deal. If you could have your car's engine tuned for free, would you? For most people, the answer would be a resounding "yes!" However, enthusiasm seems to wane when it comes to managing your finances and planning your future. There are steps to follow at every point in your planning journey. You have a tour guide waiting for you.

Contact the Baton Rouge office at (225) 926-8082 or (800) 937-7604 for an individual appointment to review your account.^{2,3}

How Inflation Hurts Your Cash

Some investors may think of cash as the ultimate safe investment. But cash is not risk-free. Investors who keep most of their assets in cash face the risk of inflation.

Inflation, or the rise in the prices of goods and services, reduces the purchasing power of cash over time. Even at 3% per year—the average rate since 1926—inflation may slash the purchasing power of \$1,000 to \$543 over 20 years.⁴

In 2009, inflation fell for the first time since 1955, down 0.4% for the year.⁶ Some economists worry that the opposite of inflation could occur: deflation—a prolonged period of falling prices.⁵ Investors who trade frequently may consider short-term deflation strategies.⁵ But for investors like yourself, who are focused on saving for retirement, protecting your investments from the long-term effects of inflation could be in your best interest. The reason: Even if deflation occurs, it has historically proved to be rare.⁴

You can soften inflation's bite by maintaining a well-balanced portfolio that invests in stock funds and bond funds in addition to cash equivalent investments, such as money market funds. The returns of each asset class tell the story of how investing in stock funds and bond funds can help you stay well ahead of inflation: From January 1, 1926, to December 31, 2009, cash equivalent investments, such as money market funds, gained just 3.7%, while bonds averaged annual returns of 5.4% and stocks returned 9.8%.⁵ Past performance is not a guarantee or prediction of future results.

Keep your assets growing by staying wise to inflation.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the fund.



QUIZ - A Helping Hand

Test your knowledge about catch-up contributions

Once you reach age 50, you can contribute even more than the maximum allowed to most retirement savings plans. How much do you know about catch-up contributions? (See the bottom of the page to check your answers).

True or False?

- 1. In 2011 you can make catch-up contributions of \$5,500 to a workplace retirement plan and \$1,000 to an IRA.**
- 2. Making catch-up contributions won't have much of an impact to your account if you're already contributing the maximum.**

FOR ILLUSTRATIVE PURPOSES ONLY. Does not represent the performance of any investment options. Assumes 7% annual rate of return, reinvestment of earnings, with no withdrawals. Rates of return may vary. Does not reflect any charges, expenses or fees that may be associated with your Plan. The tax-deferred accumulation shown above would be reduced if these fees had been deducted.

Give Yourself the Gift of Just One Percent More



Even small increases in your workplace retirement plan contributions can make a big difference in the size of your nest egg. Compare the savings outcomes of the following three hypothetical investors, assuming that each receives a 3% annual raise on an initial \$60,000 salary.*

Investor	Monthly contributions	Account value after 25 years
Susan	5%	\$259,406
Jennifer	6%	\$311,287
Robert	7%	\$363,169

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A Helping Hand; The Answers

1. **True.** If you're 50 or older, the maximum catch-up contribution would bring your total contribution to \$22,000 in most workplace plans and \$6,000 in an IRA. Some plans have additional catch-up provisions.
 2. **False.** Let's say you and a friend each have \$150,000 in your workplace accounts at age 50 and already contribute \$16,500 annually. If your friend makes catch-up contributions of \$5,500 each year and you don't, she could have accumulated \$987,438—or \$143,396 more than you—by age 65, assuming a 7% annual return on your investments.

- The date in a Target Date Fund represents an approximate date when an investor would expect to start withdrawing their money or when an investor expects to retire. The principal value of the funds is not guaranteed at any time, including the target date.
- Access to KeyTalk and the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.
- Representatives of GWFS Equities, Inc. are not registered investment advisers, and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed.
- Bureau of Labor Statistics (bls.gov).
- "What To Do If Inflation Strikes," June 4, 2010, smartmoney.com.
- Morningstar, Inc., Ibbotson® SBBI® 2010 Classic Yearbook. Stock return is based on the Standard & Poor's 500 Index. Bond return is based on the Long-Term Government Bond Index. Cash return is based on the 30-day Treasury bill.

Core securities (except those offered through the self-directed brokerage option), when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

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